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WEEKLY INDOCHINA REPORT

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State Dept. review completed

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TOP SECRET

C O N T E N T S

SUMMARY Page 3

INDOCHINA Page 8

Military
Political

GENEVA CONFERENCE Page 18

Direct Military Talks
Supervision and Guarantees of a Truce
Political Questions
Relations Between Communist Delegations

FREE WORLD POLICIES AND OPINIONS. Page 27

France
Great Britain
New Zealand
India
Burma
Thailand
Japan

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SUMMARY

Indochina

Military: The two sides maneuvered for position and probed each other's defenses militarily in Indochina as they were doing diplomatically at Geneva. No decisive battles of either sort were fought in either theater.

General Cogy told the American consul in Hanoi that the Viet Minh battle corps was ready to move against the French in the delta "at any time," and that if he were the enemy commander he would have attacked two weeks ago.

Cogy will make every effort to defend the whole Hanoi-Haiphong complex but he "foresees the eventuality" that he will be forced to retire to Haiphong, he told the consul.

Meanwhile intensification of activity by Viet Minh forces already in the delta is foreshadowed by several reports.

Political

Vietnam premier-designate Ngo Dinh Diem, in his first public statement, ascribed Vietnam's woes chiefly to France's "stubborn" refusal to face up to the necessity of granting his country full independence.

American officials who conferred recently with Diem in Paris were struck by his apparent lack of any program except the assumption of greater responsibilities by the United States.

A prominent Vietnamese army officer told American embassy officials in Saigon that conditions in five once-safe provinces in southern Vietnam have deteriorated so markedly within the past half year that "all would be lost" within two or three months unless remedial action were taken immediately.

Among the causes of the worsening situation, he said, were poor pay, inadequate arms, corruption and incompetence in the local government and the fact that the Vietnamese army was "concerned much more with the tailoring of uniforms and unearned decorations than with its primary purpose of combating the Communist enemy."

North Vietnam's poorest rice crop in nine years will provoke an even more intensive struggle for the harvest than in previous years but the army attaché anticipates that the Viet Minh will be able to obtain its requirements.

The Viet Minh radio asserted that pedicab drivers in Hanoi have been organized in a fifth column.

Geneva Conference

The Communists hinted that they might agree to reasonable terms for a settlement, but they committed themselves to nothing.

Chou En-lai was conciliatory in tone but evasive in content in a speech on military questions and the Viet Minh delegate was enticing in content but aggressive in tone in a speech on political questions.

The nine participants in the Indochina talks agreed to have representatives of the two commands meet immediately to examine questions relating to

cease-fires in Laos and Cambodia, beginning with the question of the withdrawal of all foreign armed forces and all foreign military personnel from the two countries.

The Communists seemed far from prepared to negotiate a complete withdrawal of Viet Minh forces from Laos and Cambodia, however. There are, moreover, "indigenous resistance movements" in both countries whose existence must be recognized, the Communists asserted.

Free World Policies and Opinions

France: Estimates of Premier Mendes-France's capabilities and intentions varied widely.

The premier himself told Under Secretary W. Bedell Smith that it was essential to end the Indochina war promptly. He added, however, that he would not under any circumstances agree to a settlement which constituted a surrender to the Viet Minh.

Once peace is made in Indochina, he will press for ratification of EDC, Mendes-France said, and he will not countenance changes in the treaty which would be unacceptable to other signatories.

The Italian ambassador in Paris, on the other hand, reported to Rome that Mendes-France would scuttle EDC if he could thereby get an acceptable Indochina settlement from the Communists. The only hope for EDC is that "the Russians will make some of their blessed blunders," the ambassador said.

Mendes-France was to meet Chinese Communist foreign minister Chou En-lai at Bern on 23 June.

Great Britain: Hope welled up once again in the British breast.

Officials thought the new French government might be able to negotiate an Indochina settlement and there was a spate of optimism in the press.

Foreign Secretary Eden told Ambassador Aldrich he thinks complete American-British agreement on a Southeast Asian defense system will be reached during Eden's and Prime Minister Churchill's forthcoming visit to Washington.

New Zealand: Prime Minister Holland said he would discuss Southeast Asian problems with Australian prime minister Menzies during Menzies' current vacation in New Zealand.

Some leading newspapers accused the United States of obduracy at Geneva. There was, however, both press and public support for the American proposal for collective action in Southeast Asia.

India: Prime Minister Nehru's position on Indochina was as difficult to determine as that of a man who has climbed a rope and disappeared.

Ambassador Allen was unable to obtain confirmation of reports that India might recognize Cambodia, and there were only surmises as to what Nehru might say to Chou En-lai when the Chinese Communist foreign minister visits New Delhi on his way home from Geneva.

Burma: The Burmese took an increasingly grave view of the situation in Indochina and acted accordingly.

Rangoon said it would be willing to serve on an Indochina armistice commission composed of the five Colombo powers and possibly even on a commission made up of three Colombo powers and one European and one Communist country.

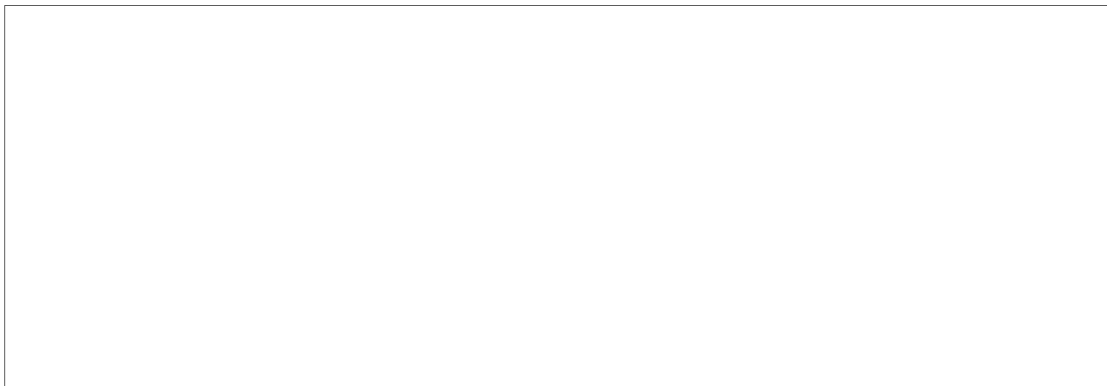
The Burmese further adopted the Western powers' view that the problems of Laos and Cambodia must be separated from those of Vietnam; they undertook, if the Geneva conference collapses, to support the Thai request that a UN peace observation committee be sent to Southeast Asia; and they announced that they intended to introduce military conscription.

Thailand: Premier Phibun reaffirmed Bangkok's willingness to take part in a Pacific defense alliance and to permit the establishment of American military bases in Thailand.

Foreign troops sent to defend Thailand should not be considered the agents of imperialism as they had been in the past, Phibun said. "Anyway, Americans are not foreigners," he said.

Japan: The press went on treating the Indochina conflict as one between the West and the Communists. A large right-wing Tokyo daily argued that Asian Communism was mostly a movement for racial independence and--as in China--for agrarian reform.

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INDOCHINA

MilitaryTonkin:

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General Cogne told the American consul in Hanoi on 17 June, however, that the enemy battle corps in the delta was ready to move against the French "at any time." While he had no indications of a major attack within the next "week or ten days," Cogne said if he were the Viet Minh commander he would have attacked two weeks ago. He thought the failure of the Viet Minh to launch an all-out assault was probably due to political considerations.

Cogne has stated that if the Viet Minh battle corps were committed, he would have to withdraw from the large populated areas of Nam Dinh, Bui Chu and Son Tay because his forces are unable to defend both Hanoi and these outlying points (see map, p. 9). According to the American consul in Hanoi, Cogne will make every effort to defend the whole Hanoi-Haiphong complex, but the general "foresees the eventuality" of being forced to retire to Haiphong.

Whether or not the Viet Minh plans a major assault soon by its battle corps, early intensification of activity against the French by Viet Minh forces already in the delta is foreshadowed by several reports.

According to the American army attaché in Saigon, the French report "indications" that the Viet Minh 320th Division and other smaller units have been ordered to prepare for unspecified action in the southern part of the delta beginning 1 July. One regiment of the 304th Division may also be involved. The French are undecided whether this would be part of an attack on the entire delta or only a limited campaign.



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French attacks on Viet Minh bases in the delta continued, however, the heaviest being an amphibious assault against Van Coc Island on the Red River north-west of Hanoi. Press sources report that relatively severe fighting occurred as French forces drove ashore; no details are available from official sources.

A Reuters press story reports that on 16 June Viet Minh forces occupied the important town of Viet Tri at the western apex of the perimeter; French units had withdrawn earlier, leaving the post to Vietnamese militia as a "listening" point. Sabotage of the Hanoi-Haiphong communications line continued; [REDACTED]

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[REDACTED] it is open only two or three hours a day.

Annam: Viet Minh antiaircraft units near Tourane shot down two French fighters on 13 June [REDACTED]

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[REDACTED] The weapons used are believed to have been 37mm guns, which have never been reported in this area before.

South Vietnam: Press accounts of 20 June report that 500 Viet Minh prisoners escaped from a POW camp at Mytho, southwest of Saigon, on 19 June. Several companies of Communist regionals in the area were said to have aided the escape. About 100 of the prisoners were reported recaptured.

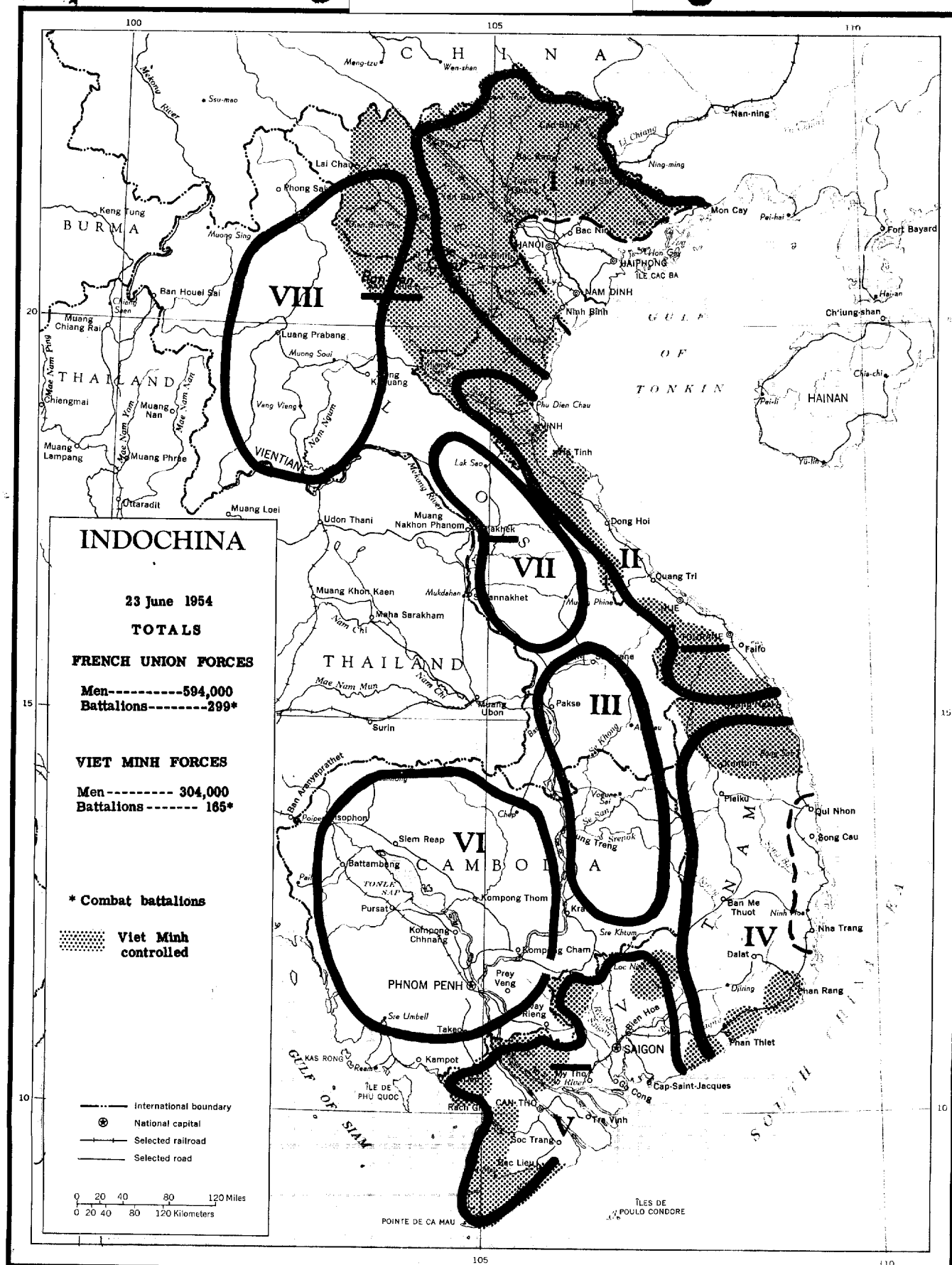
Laos: The American diplomatic representative in Laos reports that the situation in north Laos will remain static and will be favorable in the south if no more French troops are withdrawn. He notes, however, that the situation could change rapidly in the event the Tonkin delta were lost. In that event he believes one division could conquer Laos at least as far south as Thakhek.

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23 June 1954

FRENCH UNION FORCES					VIET MINH FORCES			
FRENCH	ASSOCIATED	TOTAL	COMBAT STRENGTH	AREA	REGULARS	REGIONAL	TOTAL	COMBAT STRENGTH
46 Inf Bns 13 Arty Bns	32 Inf Bns 4 Arty Bns 27 Lt Bns	78 Inf Bns 17 Arty Bns 27 Lt Bns	97,700	I	65 Inf Bns 6 Arty Bns	29 Inf Bns	93 Inf Bns 6 Arty Bns	70,000
5 Inf Bns 2 Arty Bns	17 Inf Bns 1 Arty Bn 6 Lt Bns	22 Inf Bns 2 Arty Bns 6 Lt Bns	25,400	II	7 Inf Bns 0 Arty Bns	6 Inf Bns	13 Inf Bns 0 Arty Bns	9,100
4 Inf Bns 0 Arty Bns	7 Inf Bns 0 Arty Bns 2 Lt Bns	11 Inf Bns 0 Arty Bns 2 Lt Bns	11,200	III	3 Inf Bns 0 Arty Bns	0 Inf Bns	3 Inf Bns 0 Arty Bns	2,100
6 Inf Bns 1 Arty Bn	20 Inf Bns 3 Arty Bns 17 Lt Bns 8 Guard	26 Inf Bns 4 Arty Bns 17 Lt Bns 8 Guard	43,900	IV	15 Inf Bns 0 Arty Bns	3 Inf Bns	18 Inf Bns 0 Arty Bns	12,600
6 Inf Bns 0 Arty Bns	13 Inf Bns 0 Arty Bns 24 Lt Bns	19 Inf Bns 0 Arty Bns 24 Lt Bns	32,500	V	10 Inf Bns 0 Arty Bns	2 Inf Bns	12 Inf Bns 0 Arty Bns	8,400
0 Inf Bns 0 Arty Bns	6 Inf Bns 0 Arty Bns 3 Lt Bns	6 Inf Bns 0 Arty Bns 3 Lt Bns	7,300	VI	0 Inf Bns 0 Arty Bns	1 Inf Bn	1 Inf Bn 0 Arty Bns	1,000
9 Inf Bns 1 Arty Bn	1 Inf Bn 0 Arty Bns 2 Lt Bns	10 Inf Bns 1 Arty Bn 2 Lt Bns	10,900	VII	2 Inf Bns 1 Arty Bn	0 Inf Bns	2 Inf Bns 1 Arty Bn	2,100
6 Inf Bns 0 Arty Bns	4 Inf Bns 0 Arty Bns 3 Lt Bns	10 Inf Bns 0 Arty Bns 3 Lt Bns	10,900	VIII	11 Inf Bns 0 Arty Bns	4 Inf Bns	15 Inf Bns 0 Arty Bns	10,500

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INDOCHINA

Political

Premier-designate Ngo Dinh Diem, in his first public statement, ascribed Vietnam's woes chiefly to France's "stubborn" refusal to face up to the necessity of granting his country full independence. The strong nationalist line adopted by Diem will presumably be favorably received in Vietnam. It will not, however, offset Diem's fundamental shortcomings as a politician and administrator, in the view of most observers.

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American officials who conferred recently with Ngo Dinh Diem in Paris were struck by his apparent lack of any program except the assumption of greater responsibilities by the United States. A minister of the outgoing cabinet, who claims to be pro-Diem, observes that the new premier is opposed to the creation of a popular assembly and the inauguration of agrarian reform--two measures which are "absolutely necessary."

The extent to which the heavy hand of Bao Dai still weighs on any attempt to rehabilitate the present administrative structure is evident in the caution which the Vietnamese labor minister exercises in expanding his promising program for the creation of "social action committees." The minister points out that this program for forming popularly elected administrative committees at the grass roots level, which has aroused keen interest among American officials, is technically illegal and might be nipped in the bud by Bao Dai if pressed too vigorously. Meanwhile, rumors that Bao Dai was considering renouncing his powers in favor of a regency in the name of Prince Bao Long brought a prompt denial from the chief of state.

Security conditions continued to worsen in many areas in Vietnam. A prominent Vietnamese army officer told embassy officials that conditions in five once-safe provinces of south Vietnam had deteriorated so markedly during

the past half year that without immediate remedial action "all would be lost" within two to three months. Among the causes the officer cited were the poor pay and inadequate arms of the local militia and the corruption and incompetence of the local governments. Also, he said, the Vietnam army was "concerned much more with the tailoring of uniforms and unearned decorations than with its primary purpose of combating the Communist enemy."

Economic factors contributed to the deterioration of the situation in the Tonkin delta as the large spinning and weaving mills in Nam Dinh, near the southern perimeter of the delta, closed down owing to enemy action and the dislocation of the labor force. Continuing production by the Nam Dinh mills had been an important objective of American economic aid.

North Vietnam's poorest rice crop in nine years will provoke an even more intensive struggle for the harvest than in previous years, but the army attaché anticipates that the Viet Minh will be able to obtain its requirements of 50 tons a day for its more than 70,000 men within the delta.

the Viet Minh population south of the delta is already on half rations.

The most critical period will begin in September, when the current reduced harvest will have been largely consumed prior to the ripening of the November crop. Ample deliveries of rice for the French-Vietnamese side can be made from southern Indochina to Haiphong, but distribution of this rice to points within the delta will prove difficult if not impossible. Hanoi, in particular, is vulnerable to famine because of its dependence on its threatened lines to Haiphong.

The Viet Minh radio has described with considerable relish the increasing distress of Hanoi resulting from attacks on its vital land communication with Haiphong. The radio also asserts that the pedicab drivers within Hanoi form a potential fifth column, an assertion which seems credible in the light of an earlier consular report from Hanoi that the Viet Minh had achieved some success in "organizing" the pedicab drivers of Haiphong.

INDOCHINA REPORT

16

23 June 54

The Viet Minh radio recently revealed the names of three Russian film technicians who arrived in the Viet Minh-controlled area on 29 May. The Russians--the first whose presence in the Viet Minh zone has been admitted--were said to have been "warmly received by Comrade Ho Chi Minh."

The Cambodian government informed the American chargé in Phnom Penh that it now considers the Geneva conference "dead," and intends shortly to dust off the appeal to the United Nations which it had pigeonholed pending the outcome of the conference.

The American chargé in Saigon observes that the French would be well advised to drop their opposition to such a Cambodian appeal rather than face the embarrassing probability that the king will resort once more to the tactic which he employed so successfully in the past to pry concessions from the French--a noisy recital of Cambodia's grievances in various foreign capitals. There are indications that the king is now planning such a trip, and he will in any case seek diplomatic recognition by the Indian, Ceylon, and Pakistani governments.

Reports from Saigon and Bangkok refer to an unsuccessful uprising against the Laotian government on 13 June. [REDACTED]

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[REDACTED] A French official in Saigon attributes the uprising to followers of Prince Petsarath and "Free Laotians," a term usually ascribed to the Viet Minh-backed Laotian Communists. An American embassy report from Saigon of 19 June made no mention of the incident, however, nor has there been any report from the American legation in Vientiane.

* * *

GENEVA CONFERENCE

With the Indochina talks threatening to break down in their sixth week, the Communists at Geneva made one minor concession, dropped several hints of a future compromise, and succeeded in keeping the conference alive.

The proposals of the Communists to date have not definitely committed them, now or later, to any withdrawal from their maximum demands. It is generally believed, however, that they will make a serious effort to devise an Indochina settlement which the French will be able to swallow and keep down.

In the near future, while the chiefs of some delegations are absent, the prospect at Geneva is for:

- (1) Direct talks between representatives of the French and Viet Minh commands on the "disposition of forces" in Vietnam.
- (2) Direct talks between the Viet Minh and the French-Laotian command representatives, and between the Viet Minh and the Cambodians, on questions relating to a cease-fire in Laos and Cambodia.
- (3) Nine-power meetings, at the deputy level, on questions relating to supervision and guarantees of a truce and perhaps questions about an over-all political settlement.
- (4) Private talks, between the above parties and others, on any number of military and political questions.

The Communists, who have long advocated direct French-Viet Minh talks, seem to have high hopes for a variety of direct talks. Among the indications:

- (1) Chou En-lai saw Bidault privately on 17 June.
- (2) Chou met with the Cambodians on 20 June and the Laotians on 21 June, entertained them together with the Viet Minh on 21 June, and was said to have urged the three parties to talk directly in the future.
- (3) Chou took the initiative in suggesting private talks with Mendes-France.
- (4) Chou is scheduled to visit Nehru for private talks later this week.
- (5) The Communists have repeatedly urged the military staffs working on cease-fire problems to enlarge the scope of their discussions.
- (6) There is a strong suspicion the Communists either have made or will soon make a bid for a series of private talks with the French at Geneva.

The Communists almost certainly continue to see their negotiating position on Indochina as very strong. Mendes-France is publicly pledged to end the war by 20 July, the Viet Minh retains the capabilities for large-scale offensive operations, and the Communists apparently see no American movement toward participation in the war.

The Communists have left the way open for various types of settlements. At one extreme is their proposal of 10 May for a cease-fire followed by a political settlement involving French recognition of Communist

regimes in the three states, withdrawal of foreign forces, and eventual establishment of unified governments for all three states.

At the other extreme would be a military partition of Vietnam alone, with Communist recognition of a "neutralized" Laos and Cambodia, as hinted last week. In between these extremes are several possible combinations of military and political settlements.

The demands of 10 May are expected to remain the official Communist position pending the results of the various private talks which are under way or being arranged. The Communists appear to believe the non-Communist participants in the Indochina talks will be more vulnerable, and more disposed to bargain seriously, in such talks than in multilateral sessions.

The assessment of their prospects which the Communists reach in the course of these private talks may be reflected in a new public proposal, revising the 10 May demands, when the Indochina sessions resume at the top level. The Communists may wish to have ready a fresh package which would be tempting to the French, and at the same time advantageous to the Communists, to offer Mendes-France before his 20 July deadline.

Direct Military Talks

The nine participants in the Indochina talks agreed on 19 June to have representatives of the two commands meet immediately at Geneva or in the field to examine questions relating to a cease-fire in Laos and Cambodia, "beginning with the question concerning the withdrawal of all foreign armed forces and foreign military personnel...."

It had been agreed on 29 May to have representatives of the two commands "study the disposition of forces" to be made following a cease-fire throughout Indochina, "beginning with the question of regrouping areas in Vietnam." The direct talks on Vietnam alone have been under way at Geneva since 2 June.

Chou En-lai on 16 June had proposed direct talks on Laos and Cambodia. The West was apparently encouraged to reach the 19 June agreement by the fact that Chou, in calling on 16 June for the complete withdrawal of foreign troops from Laos and Cambodia, had made no mention of regroupment zones or mixed committees, thus implying the possibility of a withdrawal of Viet Minh forces from those states.

Obscurities in the Communist Position: Both Chou's 16 June proposal and the 19 June agreement leave obscure certain critical points relating to the status of Viet Minh forces in Laos and Cambodia on the one hand and French forces there on the other. Under Secretary Smith noted two of these points in reserving the right to reject any proposals which may come out of the direct talks.

Reaffirming the American position that the problems of Laos and Cambodia arise primarily from an invasion of those states by Viet Minh forces, Smith stated that military talks should be held between the Viet Minh and Cambodian commands and between the Viet Minh and French-Laotian commands and should be devoted primarily to the question of withdrawal of Viet Minh forces. Smith also said the small Laotian and Cambodian forces would be greatly handicapped in self-defense efforts by the loss of their few French officers and noncoms, and that Laos and Cambodia should be free to obtain advice and assistance.

As regards the participants in the direct talks, the Laotian and Cambodian delegates have indicated they will deal only with the Viet Minh, not with representatives of the Communist ghost governments in Laos and Cambodia. The French delegate claims to have an oral agreement on this point from the Russians and Chinese, who claim in turn to have agreement from the Viet Minh.

While the Communists may honor this agreement on procedure, they seem far from prepared to negotiate a complete withdrawal of Viet Minh forces. Chou En-lai and the Viet Minh delegate conceded on 18 June

that Viet Minh forces had once been present in Laos and Cambodia, but argued that some or most of them had already been withdrawn.

Chou specified on 16 June that the military talks must take into account the fact that "native forces" in Laos and Cambodia include "armies under the resistance governments" there. The Viet Minh delegate insisted on 18 June that indigenous "resistance movements" in the two states are organized in companies and battalions and that their existence must be recognized.

As regards the status of French military personnel, the Laotian and Cambodian delegates have told the Communists that their governments need advisory and technical personnel to maintain their security and that the French troops in Laos (there are none in Cambodia) are there by agreement. Molotov said merely that the question of French personnel in Laos and Cambodia should be clarified in the direct talks.

In the 19 June session the Viet Minh delegate implied that the military talks could consider questions other than those explicitly defined in the agreement. These would presumably be the points in Chou's 16 June proposal relating to self-defense needs in Laos and Cambodia, a ban on the introduction of fresh troops and arms, and extension to the two states of the authority of the international supervisory commission.

The representatives taking part in the military talks on all three states were asked to submit a report within 21 days--that is, before Monday, 12 July.

Military Talks on Vietnam: The representatives of the two commands discussing the disposition of forces in Vietnam are reported to have reached agreement on a draft summary of their positions, but these positions are believed to be far apart.

The Viet Minh is said to be maintaining that the French hold only "population centers"--presumably meaning major cities--in Vietnam. The French for their part are said to be claiming control over some rural areas which in fact are dominated by the Viet Minh.

Supervision and Guarantees of a Truce

The Communists have continued to press for an international commission which would "assist" the mixed committees of belligerents but would have no authority over them. Both bodies would be ultimately responsible to the nine "guarantor" states participating in the Indochina talks.

The Communists made one minor concession last week by proposing that an Asian neutral be the fifth power on a five-nation international commission which would include two Communist states. Alternatively, an Asian neutral could be the third member of a three-power commission which would include one Communist state. The Communists had previously insisted on a four-power commission with two Communist states.

The most important questions to be taken up by the commission would still require unanimity, however. The Communist proposal that minor questions be settled by majority vote was their only compromise of the previous week.

Political Questions

In addition to hinting that they would agree to reasonable military settlements in Laos and Cambodia, the Communists in the past week have encouraged the West to believe in the possibility of an acceptable

political settlement in those two states. These hints, while possibly presaging a compromise, have this far committed the Communists to nothing.

The Communists followed up these hints in the 16 June Indochina session. Chou En-lai's speech on military questions was conciliatory in tone although evasive in content, and the Viet Minh delegate's speech on political questions was enticing in content although aggressive in tone.

The Viet Minh delegate proposed general elections throughout Vietnam, postponing "other political questions" pertaining to the three states. Molotov supported him by saying that the general principles worked out for Vietnam would be applied later to Laos and Cambodia.

In publicizing the 19 June agreement, Peiping radio observed that the question of "a political settlement" is among those remaining for discussion at Geneva. The broadcast reaffirmed the Communist position that this is one of the questions which "must be settled for peace in Indochina to be restored."

Relations Between Communist Delegations

Four American officials at Geneva who are well acquainted with the affairs of the USSR, Communist China, North Korea and the Viet Minh have observed the relationships between the four Communist delegations at Geneva and have concluded that:

- (1) Nothing observed contradicts existing estimates that Communist China is an ally, not a Satellite, of the Soviet Union.
- (2) Scanty evidence suggests that the North Korean delegation is more closely controlled by the Russians than by the Chinese, and the North Koreans may have less freedom of action than the Viet Minh.
- (3) Both the Russians and the Chinese seem to have some measure of control over the Viet Minh, but it is hard to judge whether the Viet Minh is completely subservient to either or both.

Sino-Soviet Relations: Molotov has represented himself as a sort of mediator between the West and the Chinese. He has been much friendlier in conversation than has Chou, and has taken pains to emphasize that Chou is no simple stooge.

On the other hand, Molotov's top rank has been carefully observed by all Communist delegations in the plenary sessions and on other occasions. Moreover, Chou En-lai's later speeches have emphasized matters of interest to China, with Molotov stepping forward as the primary champion of Asian "liberation" movements in general.

North Korean Status: Nam Il and the Korean delegation seemed to associate primarily with the Russians and are rumored to have operated almost as a section of the Soviet delegation. In some of the Korean sessions Nam seemed to be given a small role or even ignored.

Viet Minh Status: The Viet Minh delegation has shown a high degree of responsiveness to Moscow but there have been apparent instances of poor coordination. Certain Viet Minh speeches have suggested

direct Soviet influence, and the Russians appeared to be directing Viet Minh policy on the issue of French Union wounded at Dien Bien Phu. On three occasions in the Indochina talks, however, the Viet Minh delegate was out of step until Molotov made the Communist position clear.

In one conversation with Under Secretary Smith, Molotov implied that his relations with the Viet Minh were conducted through the Chinese, but this seems to be true only in a limited sense.

In direct conversations with the Viet Minh, the Russians use a French-speaking Soviet interpreter. When the Chinese are present, they and the Viet Minh speak Chinese, which is translated into Russian by a Russian-speaking Chinese.

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FREE WORLD POLICIES AND OPINIONS**France**

Mendes-France's investiture as premier on 18 June was brought about largely by his promise to make every effort to obtain a negotiated end to the Indochina war. In his investiture speech he set 20 July as the deadline by which he would accomplish this or resign, and he has kept the foreign affairs portfolio himself in order to exercise direct control over negotiations.

The premier recognizes that he needs an Indochina settlement, not only for its own sake, but also because the prestige a settlement would give him would make it possible to put through the program of economic reforms which is his major interest. He considers the reforms impossible so long as the drain of the war continues.

Mendes-France told Under Secretary Smith on 20 June that it is necessary to end the Indochina war promptly. He added, however, he would not under any circumstances agree to a surrender to the Viet Minh or even a disguised capitulation. He has not revealed what kind of settlement he is prepared to accept.

The premier is to meet with Chou En-lai at Bern on 23 June. Chou originally suggested this meeting. To avoid giving the impression it would be a step toward French recognition of Communist China and to reduce Communist propaganda exploitation to a minimum, Mendes-France agreed to meet somewhere other than in Geneva or Paris.

There has been a revival of speculation that Mendes-France will scuttle EDC in return for an Indochina peace

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Mendes-France has, on the other hand, assured both Under Secretary Smith and the leader of the pro-EDC Popular Republican Party that once peace is obtained in Indochina, he will press for EDC ratification before the summer recess and that he will not countenance changes in the treaty that would be unacceptable to other EDC members.

Great Britain

The British government now appears somewhat hopeful the new French government will be able to negotiate an Indochina settlement, and there is a spate of optimism in the press also. In a conversation with Ambassador Aldrich on 21 June, Foreign Secretary Eden said Chou En-lai appears desirous of reaching agreement at Geneva on such issues as the method of dealing with Cambodia and Laos.

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On the issue of a Southeast Asian collective defense system, Foreign Secretary Eden told Ambassador Aldrich on 21 June he expects complete agreement will be reached with the United States during his and Prime Minister Churchill's visit to Washington.

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New Zealand

New Zealand's Prime Minister Holland has announced he will discuss Southeast Asian problems with Prime Minister Menzies of Australia, who is now vacationing in New Zealand.

The American embassy in Wellington reports that public and official support for the United States' proposal for collective action in Southeast Asia continues to be evident.

Some leading newspapers which favor collective action have been sharply critical nevertheless of American tactics at Geneva. "The intransigence of which Moscow is often accused could equally well be laid at the door of Washington," said one paper. The embassy feels the press will continue to take this line until the outcome of the Churchill visit is announced.

India

Ambassador Allen in New Delhi has been unable to obtain confirmation of reports that India is considering recognition of Cambodia. He reports the British high commissioner in New Delhi has been hopeful that India might do so, but has no knowledge that the step is imminent.

An Indian Foreign Ministry spokesman is reported to have said Indochina, Korea, and Tibet will be discussed by Chou En-lai and Nehru during the Chinese premier's three-day visit to New Delhi, announced by India on 22 June.

It is possible Nehru may use this occasion to try out on Chou the concept of an Indian sphere of influence in Southeast Asia which is reported to be favored by V.K. Krishna Menon and some others among Nehru's circle of close advisers. Tonkin and Vietnam are Chinese preserves, in this concept, and Cambodia and Laos are in the Indian sphere.

Burma

Premier Nu asked on 16 June that Secretary Eden be informed that Burma is willing to serve on an Indochina armistice commission composed of the five Colombo powers.

Acting Foreign Minister Kyaw Nyein went somewhat further and intimated his government would also be favorably disposed toward serving on a commission made up of three Colombo powers and one European and one Communist country.

The Burmese have reached two other decisions regarding the Indochina situation, both in accord with the Western point of view. They agree that the problems of Laos and Cambodia should be separated from that of Vietnam, and they are now prepared--should the Geneva conference collapse--to support the Thai appeal for a United Nations peace observation committee for Southeast Asia.

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the Burmese minister of information announced that the government intends to introduce military conscription. In his statement, the minister said the time had come for Burma to "discard...tendencies to shirk responsibilities."

Thailand

In a press conference on 21 June, Premier Phibun observed that the political, military and economic situation in Southeast Asia has deteriorated "very badly" in the last three months. He said a cease-fire in Indochina would not be enough, and the problem could only be solved satisfactorily by a definitive peace treaty.

The premier reiterated his government's willingness to participate in a Pacific defense alliance and to permit the establishment of American military bases in Thailand.

Phibun explained that foreign troops sent to defend Thailand should not be considered as the forces of imperialism, as they had been in the past. "Anyway," he added, "Americans are not foreigners."

Japan

The Japanese press continues to treat the Indochina conflict as one between the Western and Communist powers, ignoring the implications for Japan and the rest of free Asia. Yomiuri, a large right-wing Tokyo daily, argued last week that Asian Communism merely represented a racial independence movement in some cases and "nothing but a farmers' movement" in others, as in China.

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